

## **STATUS OF CLAIMS**

Claims 1, 4, 6, 8-14 and 72-75 are pending.

Claims 1, 4, 6, 8-14 and 72-75 stand rejected.

## **REMARKS**

Claims 1, 4, 6, 8-14 and 72-75 stand rejected under 35 U.S.C. §103(a), as being unpatentable over the Leslie article ("High Tech Sleuths", Leslie Hann, Best's Review, Nov. 1998) in view of the John article ("Technology: Unlocking the Neural Network", John Mutch, Risk and Insurance, Jan. 1999). Applicant traverses these rejections for at least the following reasons.

### ***Summary of the Claimed Invention***

Independent Claim 1 recites a system for assisting providers to prepare billings associated with workers' compensation claims. *See, e.g., specification, page 8, lines 7-10 ("Fig. 1 illustrates a Workers' Compensation claim verification system of one embodiment of the invention. A provider computer 40 has access to Workers' Compensation software which can be stored at the server or at the provider computer. The provider can be a doctor, pharmacy or other medical professional."; see also, specification, page 8, lines 23-24 ("In a preferred embodiment, a number of different providers (not shown) are connected to the Workers' Compensation claim verification system 44"); see also, page 10, lines 1-6 ("the Workers' Compensation software includes medical report and billing software which ... inserts the claim number, once obtained, into reports and bills to be sent out."); see also, Fig. 1.* The provider computer software prompts providers to input data concerning workers' compensation claims. *See, e.g., specification, page 8, lines 16-21 ("The Workers' Compensation software prompts the provider to input data sufficient to identify the Workers' Compensation claim. This data includes name, social security number, and injury date... Additional data such as employer number and insurer name can also be provided.").* The provider computer software also sends

electronic claim number requests containing at least some of the inputted data across the Internet to the workers' compensation claim verification system. *See, e.g., specification, page 8, lines 11-12 ("The provider computer is operably connected with the Workers' Compensation verification system 44."); see also, specification, page 12, lines 16-18 ("In step 50, the provider, using the software program, sends an electronic inquiry request across the Internet to the Workers' Compensation claims verification system."); see also, Fig. 2.*

Responsively thereto, the Workers' Compensation claims verification system receives the sent data; and determines whether matching workers' compensation claim numbers associated with the received data exist. *See, e.g., specification, page 12, lines 18-19 ("In step 52, it is determined whether the inquiry refers to a claim number in the Workers Compensation claim verification system's database."); see also, Fig. 2.* The Workers' Compensation claim verification system electronically supplies the matching workers' compensation claim numbers determined to exist to corresponding ones of the sending provider computers, wherein said providers use said supplied claim numbers to prepare the billings. *See, e.g., specification, page 12, lines 19-21 ("If so, in step 54, the claim verification system automatically sends an indication of the Workers' Compensation claim number to the provider."); see also, page 10, lines 1-6 ("the Workers' Compensation software includes medical report and billing software which ... inserts the claim number, once obtained, into reports and bills to be sent out."); see also, Fig. 2.* And, the Workers' Compensation claim verification system automatically sends an indication of the lack of determining the workers' compensation claim number to at least one of a plurality of payer computers, each being associated with a different payer, for each matching workers' compensation claim number determined not to exist. *See, e.g., specification, page 12, lines 23-26 ("In step 56, if the database does not contain the claim number, the claim verification system automatically sends an early alert message to the payer. In step 58, the payer prompts an employer to provide a claim incident report, submission of which allows a payer to assign a Workers' Compensation claim number."); see also, specification, page 9, lines 13-17 ("The Workers' Compensation claim verification system 44 is also not payer system dependent. Multiple payers' data can be stored in the Workers' Compensation claim verification system 44. The provider need only interface with the Workers' Compensation claim verification system 44 rather than interfacing with a variety of payer computers."); see also, Fig. 2.*

Claim 1 thus broadly encompasses: (1) software accessed at a provider computer (1a) prompting a provider for Workers' Compensation claim data, and (1b) sending at least part of that data to a verification system; and (2) a verification system (2a) determining whether a matching claim number exists for the sent data, and (2b) if a matching claim number does exist, sending it to the corresponding provider computer, where it is used in preparing billings and (2c) if a matching claim number does not exist, sending an indication thereof to payer computer(s). All of the remaining claims depend from independent Claim 1.

***Leslie and John fail, in any combination, to teach or suggest such a system.***

Claim 1 recites, in relevant part:

A system for assisting providers to prepare billings associated with workers' compensation claims, comprising: ...  
a workers' compensation claims verification system ...  
[that] electronically supplies the matching workers' compensation claim numbers determined to exist to corresponding ones of the sending provider computers, wherein said providers use said supplied claim numbers to prepare the billings, and automatically sends an indication of the lack of determining the workers' compensation claim number to at least one of a plurality of payer computers, each being associated with a different payer, for each matching workers' compensation claim number determined not to exist. (emphasis added)

The Office action takes disjointed segments of two articles (Leslie and John) and attempts to piecemeal these together in a futile attempt to arrive at the claimed invention. Leslie and John fail to teach or suggest any system that electronically supplies claim numbers for use by providers to prepare billings at all – no less a workers' compensation claims verification system that electronically supplies the matching workers' compensation claim numbers determined to exist to corresponding ones of the sending provider computers, wherein said providers use said supplied claim numbers to prepare the billings, as is recited by Claim 1.

The Office action argues Leslie teaches such functionality at page 3, in paragraphs 1-8. However, a detailed review of Leslie reveals that this is not the case. First, the Leslie article describes a system for “fraud detection”. Fraud detection occurs after billings have been made

and submitted for payment. Fraud detection systems are not used to assist providers to prepare billings associated with workers' compensation claims. For at least this reason, the prior art fails to teach or suggest the system of Claim 1; reconsideration and removal of this USC § 103 rejection is requested.

Further, the first paragraph on page 3 of Leslie recites:

Infoglide's product "is very good at identifying fraud rings," Francis said. "But, that's the downside too, because most fraud that occurs is on an individual basis." PMSC also is evaluating software that scores individual claims based on the likelihood that they are fraudulent. That software, offered by HNC Insurance Solutions, a business unit of HNC Software Inc., Irvine, Calif., is based on the same technology that HNC's parent company uses to detect credit card fraud.

Thus, the first cited paragraph simply discusses various fraud detection as it relates to fraud rings and on an individual basis.

The second paragraph on page 3 of Leslie recites:

In a 1996 study, Conning estimated that insurers lost \$19.4 billion to claims fraud in 1994 and \$163 billion over the previous 10 years. Fraudulent claims in workers' compensation "easily outstrip those in other lines of business," according to the report. It attributed 25% of workers' compensation losses, or \$5.66 billion, to fraud in 1994 and \$58.7 billion over the previous 10 years.

Thus, the second cited paragraph merely discusses that fraud is especially problematic with respect to workers' compensation claims.

The third paragraph on page 3 of Leslie recites:

In six months, HNC's software helped Workers' Compensation Fund of Utah identify 50 fraudulent claims, saving \$500,000 on the first eight cases that were closed, said Bob Short, senior vice-president of the Salt lake City-based insurer.

Thus, the third cited paragraph merely discusses a particular fraud detection experience.

The fourth paragraph on page 3 of Leslie recites:

The VeriComp Claimant Fraud and Abuse Detection System software scores all open claims weekly based on 62 factors. The system automatically alerts adjusters to claims that score 500 or more, and the claims that hit 800 are automatically referred to a special investigator, Short said. The notices indicate why the system flagged the claim as potentially fraudulent.

Thus, the fourth cited paragraph merely discusses the purported operation of a particular fraud detection system.

The fifth paragraph on page 3 of Leslie recites:

The system does not replace adjusters or investigators, Short said. It's just a tool that helps them identify the cases that are most likely fraudulent.

Thus, the fifth cited paragraph merely discusses the shortcoming of fraud detection systems.

The sixth paragraph on page 3 of Leslie recites:

"In addition to being a fraud-detection system, from an operations standpoint it's a management tool because we can use our resources better than before because we are not wasting time on cases that aren't fraudulent ["], he said. It's identifying about 25% more cases that are potentially fraudulent and is finding fewer "false positives," Short said. The system uses the same "neural network modeling" that HNC Software uses to detect credit-card fraud, said Sean Downs, president of HNC's workers' compensation division.

Thus, the sixth cited paragraph merely discusses more fraud detection "war stories", and suggests that the same technology that is used to detect credit card fraud may be used to detect workers' compensation fraud.

The seventh paragraph on page 3 of Leslie recites:

"It develops real-time fraud profiles based on the payment transactions that come in on a claim," Downs said.

Thus, the seventh cited paragraph merely confirms fraud detection occurs after billing has been completed – and is not used to assist providers to prepare billings associated with workers' compensation claims.

Finally, the eighth paragraph on page 3 of Leslie recites:

By running weekly reports, Short said, his investigators have a better chance of finding potential abuses faster. When Workers' Compensation Fund of Utah was testing VeriComp, the system identified the fraud sooner than claims adjusters did 67% of the time, Downs said. The system found fraud an average of six months sooner, saving an average \$13,500 per claim, he said.

This paragraph provides no further teaching or suggestion in regards to the present claim limitations.

Accordingly, it is clear that the Office action cited portions of Leslie merely discuss various fraud detection experiences, and fails to teach or suggest a workers' compensation claims verification system that electronically supplies the matching workers' compensation claim numbers determined to exist to corresponding ones of the sending provider computers, wherein said providers use said supplied claim numbers to prepare the billings, and automatically sends an indication of the lack of determining the workers' compensation claim number to at least one of a plurality of payer computers, each being associated with a different payer, for each matching workers' compensation claim number determined not to exist – as is recited by Claim 1.

The Office action does not rely upon any teachings of John in this regard. Accordingly, Applicant requests reconsideration and removal of the rejection of Claim 1, at least by virtue that Leslie and John fail, in any combination, to teach or suggest each of the limitations of Claim 1. Applicant also requests reconsideration and removal of the rejections of Claims 4, 6, 8-14 and 72-75, at least by virtue of their ultimate dependency upon a patentably distinct base Claim 1.

***Leslie and John Fail To Place The Public In Possession Of The Claimed Invention***

Notwithstanding that the foregoing deficiencies of Leslie and John require removal of the asserted rejections, Applicant also notes Leslie and John fail to qualify as effective prior art to the system of Claim 1.

To serve as effective prior art references and render any of the pending claims unpatentable, Leslie and John must enable the subject matter it is asserted to teach. *See, Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1354, 65 USPQ2d 1385, 1416 (Fed. Cir. 2003) ("*A claimed invention cannot be anticipated by a prior art reference if the allegedly anticipatory disclosures cited as prior art are not enabled.*"). Put another way, in order to render any of the pending claims unpatentable, Leslie and John must enable one of skill in the art to make and use the claimed system. *See Bristol-Myers Squibb v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1374, 58 USPQ2d 1508, 1512 (Fed. Cir. 2001) ("*To anticipate the reference must also enable one of skill in the art to make and use the claimed invention.*"); *PPG Industries, Inc. v. Guardian Industries Corp.*, 75 F.3d 1558, 1566, 37 USPQ2d 1618, 1624 (Fed. Cir. 1996) ("*To anticipate a claim, a reference must disclose every element of the challenged claim and enable one skilled in the art to make the anticipating subject matter.*").

Even a cursory review of Leslie and John reveals that these non-technical articles fail, in any combination, to enable one of ordinary skill in the art to make and use the recited system of Claim 1.

Turning first to Leslie, it is devoid of technical teachings, instead merely summarizing different fraud detection experiences, and what different companies purportedly are developing and plan to develop. Likewise, John is devoid of technical teaching. Instead, John merely presents a generalized discussion of efforts to develop software systems. Leslie and John fail to enable one possessing an ordinary skill in the art to make or use any of the systems identified therein--no less the system of Claim 1.

For example, neither article provides discussion regarding provider computers, a verification system and payer computers, as is recited by Claim 1. There is no discussion regarding the recited interaction between these recited components and/or the recited use of data of Claim 1. There are no flow diagrams, software programs, implementation guidelines, algorithms, functional blocks, or any other mechanism by which one of ordinary skill in the art, upon reading Leslie and/or John, would be able to make and use the system of Claim 1.

Thus, Leslie and John fail to teach or suggest the Claim 1 recitations of:

A system for assisting providers to prepare billings associated with workers' compensation claims, comprising:

a workers' compensation claims verification system;

software accessed at a plurality of provider computers, the software prompting providers to input data concerning workers' compensation claims, and sending electronic claim number requests containing at least some of the inputted data across the Internet to the workers' compensation claim verification system;

wherein, the workers' compensation claims verification system

receives the data contained in the electronic claim number requests; and

determines whether matching workers' compensation claim numbers associated with the received data exist;

electronically supplies the matching workers' compensation claim numbers determined to exist to corresponding ones of the sending provider computers, wherein said providers use said supplied claim numbers to prepare the billings, and

automatically sends an indication of the lack of determining the workers' compensation claim number to at least one of a plurality of payer computers, each being associated with a different payer, for each matching workers' compensation claim number determined not to exist.

Accordingly, Applicant respectfully requests reconsideration and removal of the rejection of Claim 1, at least by further virtue that Leslie and John fail, in any combination, to place the public in possession of the system of Claim 1. Applicant also requests reconsideration and removal of the rejections of Claims 4, 6, 8-14 and 72-75, at least by virtue of their ultimate dependency upon a patentably distinct base Claim 1.

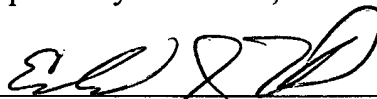


**CONCLUSION**

Applicant believes he has addressed all outstanding grounds raised in the outstanding Office action, and submits the present case is in condition for allowance, early notification of which is earnestly solicited.

Should there be any questions or outstanding matters, the Examiner is cordially invited and requested to contact Applicant's undersigned attorney at his number listed below.

Respectfully submitted,



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